GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:2319
ANSWERED ON:03.12.2007
HIRING OF GODOWNS
Jha Shri Raghunath

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Food Corporation of India (FCI) hired godowns under the Seven Year Guarantee Scheme from State Warehousing Corporations at higher rates during the last three years;

(b) if so, the details thereof indicating the extent of losses suffered as a result thereof;

(c) whether the storage space so acquired by FCI remained idle; and

(d) if so, the reasons therefor and the action proposed to be taken against FCI officials held responsible for the lapse?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a) & (b): No, Sir. Under Seven Year Guarantee Scheme, the Food Corporation of India hired godowns constructed directly by the State Warehousing Corporations (SWCs) and those got constructed by the SWCs through private investors during the years 2001 to 2004 in Punjab, Haryana, Uttar Pradesh, Andhra Pradesh, Orissa and Bihar. FCI paid storage charges to CWC/SWCs at par with the Central Warehousing Corporation (CWC) till 2005. However it came to notice during 2005, that in the case of godowns constructed by private investors, the SWCs had entered into agreement with the investors for rent at much lower rates. On examination of such cases, FCI restricted the rent in respect of private investors godowns to the amount agreed between the investors and SWCs plus maintenance charges plus actual preservation charges plus 15% supervisory charges.

(c) & (d): No, Sir. Hundred percent utilization of each and every godown may not be possible as the utilization of available storage space depends upon various factors viz. extent of procurement, receipt of stocks from the procuring States, off-takes under various schemes. However, the storage space so hired by the FCI has been utilized to the extent feasible to accommodate procured stocks as also to retain stocks for supplies in PDS/Other Welfare Schemes.